

**ECONOMIC DEVELOPMENT AUTHORITY[261]**

**Adopted and Filed Emergency After Notice**

**Rule making related to butchery innovation and revitalization program**

The Economic Development Authority hereby amends Chapter 51, “Butchery Innovation and Revitalization Program,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code sections 15.106A and 15E.370.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 15E.370.

*Purpose and Summary*

The Butchery Innovation and Revitalization Program was created in 2021 and received an appropriation of \$1 million in 2022 Iowa Acts, House File 2564.

These amendments to the rules implementing the program do the following:

1. Require that applicants have an assessment of the proposed investment completed by the Center for Industrial Research and Service (CIRAS) at Iowa State University.
2. Create more flexibility in designation of the application review committee by the Authority Director, in consultation with the Iowa Secretary of Agriculture.
3. Increase the maximum award amount from \$50,000 to \$100,000.
4. Update the scoring criteria.

These amendments have been reviewed by representatives of the Iowa Department of Agriculture and Land Stewardship.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on August 24, 2022, as **ARC 6470C**. No public comments were received. No changes from the Notice have been made.

*Reason for Waiver of Normal Effective Date*

Pursuant to Iowa Code section 17A.5(2)“b”(1)(b), the Authority finds that the normal effective date of this rule making, 35 days after publication, should be waived and the rule making made effective on October 21, 2022, because the rules govern a financial assistance program benefitting Iowa meat processing businesses. The earlier effective date allows for an earlier application window.

*Adoption of Rule Making*

This rule making was adopted by the Authority Board on October 21, 2022.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

### *Effective Date*

This rule making became effective on October 21, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend rule 261—51.1(15E) as follows:

**261—51.1(15E) Purpose.** Pursuant to Iowa Code section 15E.370 ~~as enacted by 2021 Iowa Acts, House File 857, section 1,~~ the authority is authorized to provide financial assistance to businesses for projects relating to butchery innovation and revitalization as identified in this chapter.

ITEM 2. Adopt the following new definition of “CIRAS” in rule **261—51.2(15E)**:

“CIRAS” means the center for industrial research and service at Iowa state university of science and technology.

ITEM 3. Adopt the following new paragraph **51.3(1)“h”**:

*h.* The applicant must have an assessment of the applicant’s proposed investment completed by CIRAS prior to submission of an application.

ITEM 4. Amend rule 261—51.4(15E) as follows:

### **261—51.4(15E) Application submittal and review process.**

**51.4(1)** The authority will develop a standardized application process and make information on applying available on the authority’s website. To apply for assistance under the program, an eligible business shall submit an application to the authority in the form and manner prescribed by the authority.

**51.4(2)** Applications will be accepted only during established application periods as announced on the authority’s website. Applications will be reviewed in the order received by the authority.

**51.4(3)** The authority may refuse to accept incomplete applications or may refuse to accept applications because of insufficient funds.

**51.4(4)** A scoring committee ~~that includes authority and department staff as described in subrule 51.5(4)~~ will consider, evaluate, and recommend applications for financial assistance under the program. The committee will review applications for financial assistance and score the applications according to the criteria described in subrule 51.5(2). Applications deemed to meet the minimum scoring criteria will be submitted to the board for a final funding decision.

**51.4(5)** The board, after considering the recommendations made by the committee, will determine which applications to fund and how much should be awarded to each applicant. The board has final decision-making authority on requests for financial assistance for the program. ~~The director will take final action on all applications for financial assistance, except those rejected pursuant to subrule 51.4(3).~~ The board may approve an award, decline to award, or refer an application back to staff for further review and recommendation.

**51.4(6)** The maximum amount of financial assistance awarded to an eligible business for all applications under the program shall not exceed \$50,000 \$100,000. ~~The board may increase the~~

~~maximum amount of financial assistance per eligible business if funds are made available for the program in addition to the funds appropriated by 2021 Iowa Acts, House File 871.~~

**51.4(7)** Successful applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the award.

ITEM 5. Amend rule 261—51.5(15E) as follows:

**261—51.5(15E) Application scoring criteria.**

**51.5(1)** *Application scoring.* A scoring committee ~~will be composed of at least one representative of the authority~~ individuals with relevant expertise and experience will be appointed by the director; ~~at least one representative of the department appointed by in consultation with the secretary, and two additional members mutually agreed upon by the director and the secretary.~~ The committee will evaluate the applications and give them an average numerical score between 0 and 100. ~~The board may not approve a grant for an application that receives an average score of less than 75 points.~~

**51.5(2)** *Scoring criteria.* The criteria under which each application will be scored are:

*a.* ~~The extent to which the project benefits expands processing capacity or increases efficiency: 25 points. Projects that benefit local small-scale farmers by creating or expanding opportunities to market processed meat under private labels or by providing, provide greater flexibility or convenience to have animals processed: 25 points. Projects that increase processing capacity or efficiency, or establish an essential community asset will receive more points. Projects that are likely to negatively impact existing meat processing businesses will receive fewer points. The committee may also consider the extent of any likely negative impact.~~

*b.* ~~The extent to which the project establishes an essential community asset: 25 points. Projects that are likely to negatively impact existing meat processing businesses will receive fewer points. The committee may also consider the extent of any likely negative impact. The sufficiency of the proposed project's financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds: 25 points. Applicants that can demonstrate that the applicant has planned for long-term use of the project will receive more points.~~

*c.* ~~The sufficiency of the proposed project's financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds: 15 points. The extent to which the proposed investment is consistent with the opportunities identified in the assessment completed by CIRAS pursuant to paragraph 51.3(1) "h": 15 points.~~

*d.* ~~The extent to which the applicant has planned for long-term use of the project and the likelihood of long-term use: 15 points.~~

*e.* ~~The number and quality of jobs to be created by the applicant as a result of the project or the extent to which the proposed investment uses automation to address workforce issues: 40 15 points. Projects that create more jobs or higher quality jobs will receive more points. Factors the committee will consider in assessing the quality of jobs include, but are not limited to, wages and benefits. Projects that utilize technology to address the workforce needs of the business, resulting in a more skilled workforce or increased processing capacity, will also receive more points.~~

*f.* ~~The financial need of the applicant: 10 points. Applicants that received a business improvement grant from the department for expenses incurred between March 1, 2020, and December 1, 2020, or a previous grant from the program will receive fewer points.~~

*g.* ~~The completeness of the application information and sufficiency of detail used to describe the project in the application: 10 points.~~

ITEM 6. Rescind rule **261—51.6(15E)**.

ITEM 7. Renumber rules **261—51.7(15E)** to **261—51.9(15E)** as **261—51.6(15E)** to **261—51.8(15E)**.

ITEM 8. Amend **261—Chapter 51**, implementation sentence, as follows:

These rules are intended to implement Iowa Code section 15E.370 ~~as enacted by 2021 Iowa Acts, House File 857, section 1.~~

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 11/16/22.